Selling off The Shares of PSEs

4461. DR. Y. LAKSHMI PRASAD : Will the Minister of DISINVESTMENT be pleased to state :

(a) Whether it is a fact that Government have decided to sell the shares of important Public Sector Enterprises like ITDC, Hotal Corporation of India, Indian Airlines,etc.;

(b) if so, the details of the Public Sector Enterprises identified for immediate sale; and

(c) the criteria followed for making the selection?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY) : (a) Government has accepted the recommendations of the Disinvestment Commission in respect of ITDC. It has also decided to disinvest 51% equity in Indian Airlines. Hotel Corporation of India is a subsidiary of Air India and it is for the Board of Air India to decide about it.

(b) and (c) The PSUs are identified for disinvestment keeping in view the recommendations of the Disinvestment Commission, performance of the company, the market situation etc.at the appropriate time. Disinvestment being a continuous process, a final decision is taken after detailed inter-ministerial consultations, in pursuance of the declared policy of the Government for disinvesting in non-strategic PSUs.

Sale of Public Sector Undertakings

4462. SHRI DIPANKAR MUKHERJEE :

SHRI NILOTPAL BASU:

Will the Minister of DISINVESTMENT be pleased to state :

(a) whether Government's attention has been drawn to an article Captioned "Don't sell the house to pay the grocers bills" published in the Times of India dated 5th March, 2000 (New Delhi) regarding, sale of Public Sector units; and

(b) if so, Government's reaction thereto specially with regard to the assertion that the sale of public sector is certainly not next generation of disinvestment?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY) : (a) Yes, Sir.

(b) Disinvestment in Public Sector Enterprises is a continuous process that was initiated in 1991 to provide market discipline to the performance of Public Enterprises and to promote greater accountability in them. Later in 1996, the policy provided for the examination of the question of withdrawing the Public Sector from non core strategic areas, to establish a Disinvestment Commission to advise on disinvestment and to implement decisions to disinvest after considering the advice of the Commission. The disinvestment policy after 1998-99 provides for bringing down Government equity in all non strategic Public Sector Undertakings (PSUs) to 26% or lower, if necessary and also to restructure and revive potentially viable PSUs, close down PSUs which can not be revived and to fully protect the interest of workers. The withdrawal of the Public Sector Enterprises from non strategic areas would not be automatic and would depend upon whether the industrial sector requires the presence of the public sector as countervailing presence to prevent strengthening of power in private hands and whether the industrial sector requires a proper regulatory mechanism to protect the consumer's interest before Public Sector Enterprises are privatised. The policy is thus a judicious mix of withdrawal of tax payers money from volatile markets and strengthening the public sector where necessary. The policy would ensure better use of human and other capital assets in the Public Sector Enterprises and more competition in each sector. The tax-payers money released through disinvestment would be used in higher priority programmes like health and education, retiring of Government debt and for restructuring and strengthening identified PSUs.

Sale of Hindustan Prefab Ltd.

4463. SHRI J. CHITHARANJAN: Will the Minister of DISINVESTMENT be pleased to state :

(a) whether it is a fact that the Disinvestment Commission in its 5th Report of November, 1997 had recommended a strategic sale of Hindustan Prefab Ltd., a Delhi based PSU, with the stipulation that Government will retain 26 per cent of the equity and the strategic buyer would inject new technology into the operations of the company and run the company;

(b) whether it is also a fact that these recommendations have been set aside and Government are planning closure of the company which is a growing concern and is paying its statutory dues; and